

[REDACTED]  
[REDACTED]  
[REDACTED]  
JUL 10 1991

**CERTIFIED MAIL**

Dear Applicant:

We have considered your application for recognition of exemption from federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code.

The information submitted indicates that you were incorporated on [REDACTED] under the non-profit laws of the State of [REDACTED].

Your primary stated purpose is to promote animal welfare by providing services to animal protection organizations and to individuals as follows:

1. Help animal protection organizations with their fund-raising by maintaining and renting donor lists at favorable rates.
2. Make information on animal protection issues available to individuals who request it.

You stated that donor lists will be bought from one or more 501(c)(3) organizations and will be continually updated. You stated that this activity will be the responsibility of the President. You stated that information on animal protection issues will include brochures and booklets published by a variety of sources.

We requested that you provide specific details on the donor lists. Specifically, who they will be purchased from. We requested exactly who the lists will be rented to, their names and code sections they are exempt under. We requested the costs for renting the lists in dollar amounts. We requested you provide copies of all written communications regarding the donor lists. We requested how you make the availability of the donor lists known. We requested a detailed list of brochures and booklets and their authors that will be made available. We requested where the materials will be purchased from, the cost to purchase these materials, and how these materials will be distributed. We requested if any monies have been received by the organization. We requested copies of all printed materials which describe the organization. We requested copies of all correspondence utilized to solicit funding. We requested copies of all contracts the organization has entered into.

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You did not provide specific details on the donor lists. You merely stated the donor lists will be purchased from 501(c)(3) organizations involved in animal welfare. You did not provide requested information regarding who the lists will be rented to. You merely stated the lists will be rented to 501(c)(3) organizations involved in animal welfare. You did not provide the costs of renting the lists. You stated revenues accrued from renting a list of approximately ████████ names would be approximately \$██████ per year, which covers the purchase and maintenance costs for such a list. You stated there are no written communications regarding the donor list. You stated the President will have verbal and/or written communication with major animal welfare organizations individually to let them know of this donor list service. You did not provide a detailed list of brochures and booklets that will be made available. You did not provide where the information will be purchased from, the cost to purchase these materials or how these materials will be distributed. You stated no monies have been received by the organization. You stated there are no printed materials describing the organization. You stated there is no existing correspondence to solicit funding. You stated no contracts have been finalized. You have not shown specific means by which your organization will accomplish a charitable purpose.

Section 501(c)(3) of the Code provides for the exemption from federal income tax for organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes. no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Section 1.501(c)(3)-1(c)(1) of the Regulations states that an organization is operated exclusively for the purposes set out in section 501(c)(3) of the Code only if substantially all of its activities are in furtherance of these purposes.

We wish to call your attention to Revenue Procedure 90-27, published in the Internal Revenue Cumulative Bulletin 1990-1 on page 514, which reads, in part as follows: "section 5.02 exempt status will be recognized in advance of operations if proposed operations can be described in sufficient detail to permit a conclusion that the organization will clearly meet the particular requirements of the section under which exemption is claimed. A mere restatement of purposes or a statement that proposed activities will be in furtherance of such purposes will not satisfy these requirements. The organization must fully describe the activities in which it expects to engage, including the standards, criteria, procedures, or other means adopted or planned for carrying out the activities; the anticipated sources of receipts; and the nature of contemplated expenditures. Where the Service considers it warranted, a record of actual operations may be required before a ruling or determination letter will be issued."

You are not currently carrying on an exempt activity. You have not provided specific information regarding the criteria and procedures you will employ to accomplish an exempt purpose.

At this time, you have not provided sufficient information to permit a conclusion that the activities you will carry on will be in furtherance of 501(c)(3) purposes, and that they will be carried out in a manner that will meet the requirements of section 501(c)(3) of the Code.

On the authority of the above Revenue Procedure, it is held that a record of actual operations will be required before a ruling or determination will be issued.

After you have operated for a period of time sufficient to permit a conclusion that your operation will clearly fall within the scope of section 501(c)(3) of the Internal Revenue Code, and a reconsideration of your exempt status is desired, a new application for exemption may be filed with this office.

You are required to file federal income tax returns on Form 1120.

If you do not accept our findings, we recommend that you request a conference with a member of our Regional Office of Appeals. Your request for a conference should include a written appeal giving the facts, law, and any other information to support your position as explained in the enclosed Publication 892. You will then be contacted to arrange a date for a conference. The conference may be held at the Regional Office, or if you request, at any mutually convenient District Office. If we do not hear from you within 30 days of the date of this letter, this determination will become final and a copy of this letter will be sent to the appropriate state officials in accordance with section 6104(c)(2) of the Internal Revenue Code.

If you do not protest this proposed determination in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7428(b)(2) of the Internal Revenue Code provides in part that, "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Court of Claims, or the district court of the United States for the District of Columbia determines that the organization involved exhausted administrative remedies available to it within the Internal Revenue Service."

Sincerely yours,

District Director

Enclosure: Publication 892

cc: State Attorney General